

# **SLC Turnberry Limited**

## **Report and Financial Statements**

31 December 2003

SL 177810



# SLC Turnberry Limited

Registered No: SC177810

## **Directors**

T W Darnall  
M P Wale  
S Selbie  
R L Scott

## **Secretary**

J Grime

## **Auditors**

Ernst & Young LLP  
1 More London Place  
London  
SE1 2AF

## **Registered office**

Turnberry Hotel  
Ayrshire  
KA26 9LT

## Directors' report

The directors present their report and financial statements for the year ended 31 December 2003.

### Results and dividends

The loss for the year, after taxation, amounted to £256,000. The directors do not recommend the payment of any dividends.

### Principal activities and review of the business

The principal activity of the company is the operation of the Westin Turnberry Hotel and associated leisure facilities. The directors expect the general level of activity to continue in the future.

### Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees. The company is an equal opportunities employer.

The company recognises the high standards required to ensure the health, safety and welfare of its employees at work, its customers and the general public. Company policies in this regard are regularly reviewed with the objectives of ensuring that these standards are achieved.

### Employee involvement

The company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various matters affecting the performance of the company. This is achieved through formal and informal meetings.

### Directors

The directors who served the company during the year were as follows:

T W Darnall  
M P Wale  
S Selbie  
R L Scott

There are no directors' interests requiring disclosure under the Companies Act 1985.

### Supplier payment policy

The company's policy is to settle terms of payment with suppliers when agreeing the terms of each transaction, to ensure that suppliers are made aware of the terms of payment and abide by the terms of payment.

At 31 December 2003, the company had an average of 17 days purchases outstanding in trade creditors.

## Directors' report

### Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

By order of the board



J Grime  
Secretary

22 December 2004

## **Statement of directors' responsibilities in respect of the financial statements**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Independent auditors' report**

### **to the members of SLC Turnberry Limited**

We have audited the company's financial statements for the year ended 31 December 2003 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet and the related notes 1 to 19. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditors**

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### **Basis of audit opinion**

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

## **Independent auditors' report**

**to the members of SLC Turnberry Limited (continued)**

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 December 2003 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Ernst & Young LLP*

Ernst & Young LLP  
Registered Auditor  
London

22 December 2004

## Profit and loss account

for the year ended 31 December 2003

	<i>Notes</i>	<i>2003 £000</i>	<i>2002 £000</i>
<b>Turnover</b>	2	13,142	13,735
Cost of sales		(7,677)	(7,964)
<b>Gross profit</b>		5,465	5,771
Administrative expenses		(6,622)	(5,651)
<b>Operating (loss)/profit</b>	3	(1,157)	120
Interest payable and similar charges	6	199	65
		199	65
<b>(Loss)/profit on ordinary activities before taxation</b>		(958)	185
Tax on (loss)/profit on ordinary activities	7	702	657
<b>(Loss)/profit retained for the financial year</b>		(256)	842

## Statement of total recognised gains and losses

There are no recognised gains or losses other than the loss of £256,000 attributable to the shareholders for the year ended 31 December 2003 (2002 - profit of £842,000).

The results have been derived wholly from continuing operations in both years.

## Balance sheet

at 31 December 2003

	Notes	2003 £000	2002 £000
<b>Fixed assets</b>			
Tangible assets	8	38,569	39,379
Investments	9	3,331	3,331
		<u>41,900</u>	<u>42,710</u>
<b>Current assets</b>			
Stocks	10	581	754
Debtors	11	2,354	2,059
Cash at bank		1,422	1,397
		<u>4,357</u>	<u>4,210</u>
<b>Creditors: amounts falling due within one year</b>	12	<u>11,833</u>	<u>11,339</u>
<b>Net current liabilities</b>		<u>(7,476)</u>	<u>(7,129)</u>
<b>Total assets less current liabilities</b>		<u>34,424</u>	<u>35,581</u>
<b>Creditors: amounts falling due after more than one year</b>	13	17,561	18,462
		<u>16,863</u>	<u>17,119</u>
<b>Capital and reserves</b>			
Called up share capital	16	—	—
Capital reserve	17	18,374	18,374
Profit and loss account	17	(1,511)	(1,255)
<b>Equity shareholders' funds</b>	17	<u>16,863</u>	<u>17,119</u>



M P Wale  
Director

22 December 2004

## Notes to the financial statements

at 31 December 2003

### 1. Accounting policies

#### *Basis of preparation*

The financial statements are prepared under the historical cost convention, and in accordance with applicable UK accounting standards.

The company has elected under section 229 of the Companies Act 1985 not to consolidate Nitto World Co., Limited as its inclusion is not material for the purpose of giving a true and fair view as the company does not trade.

#### *Cash flow statement*

The company has taken advantage of the exemption afforded by section 228 of the Companies Act 1985 because it is a wholly owned subsidiary of Starwood Hotels & Resorts Worldwide Inc., which prepares consolidated financial statements which are publicly available. On this basis the company is exempt from the requirement of FRS 1 to present a statement of cash flows.

#### *Related parties transactions*

As a subsidiary undertaking of Starwood Hotels & Resorts Worldwide Inc., the company has taken advantage of the exemption in FRS 8 'Related party disclosures' not to disclose transactions with other members of the group headed by Starwood Hotel & Resorts Worldwide Inc.

#### *Fixed assets*

Tangible fixed assets are stated at cost net of depreciation and any provision for impairment.

#### *Depreciation*

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition of each asset evenly over its expected useful life, as follows:

Freehold buildings	-	40 years
Plant and equipment	-	2 to 20 years

#### *Investments*

Fixed asset investments are shown at cost less provision for impairment.

#### *Stocks*

Stocks are stated at the lower of cost and net realisable value. Provision is made for obsolete, slow-moving or defective items where appropriate.

#### *Deferred taxation*

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;
- provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable;

## Notes to the financial statements

at 31 December 2003

### 1. Accounting policies (continued)

#### *Deferred taxation* (continued)

- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

#### *Foreign currencies*

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the profit and loss account.

#### *Leasing and hire purchase commitments*

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, and hire purchase contracts, are capitalised in the balance sheet and are depreciated over the shorter of lease term and their useful lives. The capital elements of future obligations under the leases and hire purchase contracts are included as liabilities in the balance sheet.

The interest elements of the rental obligations are charged in the profit and loss account over the periods of the leases and hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding.

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

#### *Pension schemes*

For defined benefit schemes the amounts charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the estimated regular cost of providing the benefits accrued in the year, adjusted to reflect variations from that cost. The regular cost is calculated so that it represents a substantially level percentage of current and future payroll. Variations from regular cost are charged or credited to the profit and loss account as a constant percentage of payroll over the estimated average remaining working life of scheme members.

Defined benefit schemes are either externally funded, with the assets of the scheme held separately from those of the group in separate trustee administered funds, or are unfunded. Differences between amounts charged to the profit and loss account and amounts funded or paid directly to members of unfunded schemes are shown as either provisions or prepayments in the balance sheet.

### 2. Turnover

Turnover comprises amounts derived from the provision of goods and services falling within the company's ordinary activities after deduction of value added tax, other sales related taxes and trade discounts. Turnover arises solely from the company's principal activity within the United Kingdom.

## Notes to the financial statements

at 31 December 2003

### 3. Operating (loss)/profit

This is stated after charging/(crediting):

	2003 £000	2002 £000
Auditors' remuneration - audit services	32	29
- non-audit services	—	—
	<u>32</u>	<u>29</u>
Depreciation of owned fixed assets	1,527	1,639
Depreciation of assets held under finance leases and hire purchase contracts	22	—
	<u>1,549</u>	<u>1,639</u>
Operating lease rentals - plant and machinery	90	53
Rental income	<u>(13)</u>	<u>(37)</u>

### 4. Staff costs

	2003 £000	2002 £000
Wages and salaries	4,675	4,814
Social security costs	384	321
Other pension costs	140	103
	<u>5,199</u>	<u>5,238</u>

The monthly average number of employees during the year was 337 (2002: 333).

### 5. Directors' emoluments

	2003 £000	2002 £000
Emoluments	<u>184</u>	<u>142</u>
	2003 No.	2002 No.
Members of defined benefit pension schemes	<u>1</u>	<u>1</u>

## Notes to the financial statements

at 31 December 2003

### 6. Interest payable and similar charges

	2003 £000	2002 £000
On intercompany loans (note 13)	287	667
On promissory note (note 13)	643	698
Foreign exchange gain on intercompany loan	(1,132)	(1,430)
Finance charges payable under finance leases and hire purchase contracts	3	-
	<u>(199)</u>	<u>(65)</u>

### 7. Taxation on ordinary activities

(a) Tax on (loss)/profit on ordinary activities  
The tax credit is made up as follows:

	2003 £000	2002 £000
<i>Current tax:</i>		
Group relief receivable	(565)	(657)
Tax over provided in previous years	(137)	-
Total current tax (note 7(b))	<u>(702)</u>	<u>(657)</u>

(b) Factors affecting current tax charge

The tax assessed on the (loss)/profit on ordinary activities is lower than the standard rate of corporation tax in the UK of 30% (2002 - 30%). The differences are reconciled below:

	2003 £000	2002 £000
(Loss)/profit on ordinary activities before taxation	<u>(958)</u>	<u>185</u>
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2002 - 30%)	(287)	56
Expenses not deductible for tax purposes	23	30
Capital allowances in advance of depreciation	(154)	(225)
Other timing differences	(147)	30
Tax over provided in previous years	(137)	(548)
Total current tax (note 7(a))	<u>(702)</u>	<u>(657)</u>

(c) Factors that may affect future tax charges

The company does not expect there to be any significant factors that may affect its future tax charges.

## Notes to the financial statements

at 31 December 2003

### 7. Taxation on ordinary activities (continued)

#### (d) Deferred tax

Deferred tax is provided at 30% (2002 – 30%) in the financial statements as follows:

	2003 £000	2002 £000
Accelerated capital allowances	4,803	4,649
Other timing differences	(1,235)	(1,382)
Brought forward trading losses	(3,568)	(3,267)
	<u>-</u>	<u>-</u>

The company has further trading losses carried forward resulting in a deferred tax asset of £682,000 (2002 - £983,000). This is not recognised as there is no certainty of suitable taxable profits in the future against which the losses can be offset.

### 8. Tangible fixed assets

	<i>Freehold land and buildings</i> £000	<i>Plant and equipment</i> £000	<i>Total</i> £000
Cost:			
At 1 January 2003	40,914	4,321	45,235
Additions	382	357	739
At 31 December 2003	<u>41,296</u>	<u>4,678</u>	<u>45,974</u>
Depreciation:			
At 1 January 2003	4,243	1,613	5,856
Provided during the year	1,084	465	1,549
At 31 December 2003	<u>5,327</u>	<u>2,078</u>	<u>7,405</u>
Net book value:			
At 31 December 2003	<u>35,969</u>	<u>2,600</u>	<u>38,569</u>
At 1 January 2003	<u>36,671</u>	<u>2,708</u>	<u>39,379</u>

The net book value of assets above includes an amount of £86,000 (2002 - £nil) in respect of assets held under finance leases and hire purchase contracts.

## Notes to the financial statements

at 31 December 2003

### 9. Investments

	<i>Subsidiary undertaking £000</i>
Cost:	
At 1 January 2003 and 31 December 2003	<u>3,331</u>

The above investment represents the company's investment in the following subsidiary undertaking:

	<i>Country of registration</i>	<i>Principal activity</i>	<i>Description and proportion of shares held</i>
Nitto World Co., Limited	England	Non-trading	100% ordinary share capital

### 10. Stocks

	<i>2003 £000</i>	<i>2002 £000</i>
Finished goods and consumables	<u>581</u>	<u>754</u>

The directors consider that there is no significant difference between the balance sheet value and the replacement cost of stocks at the balance sheet date.

### 11. Debtors

	<i>2003 £000</i>	<i>2002 £000</i>
Trade debtors	482	1,018
Other debtors	298	210
Prepayments and accrued income	214	174
Amounts owed by other group undertakings	1,360	657
	<u>2,354</u>	<u>2,059</u>

### 12. Creditors: amounts falling due within one year

	<i>2003 £000</i>	<i>2002 £000</i>
Obligations under finance leases and hire purchase contracts (note 14)	28	—
Trade creditors	418	266
Other taxation	155	203
Amounts owed to other group undertakings	10,313	9,891
Accruals and deferred income	919	979
	<u>11,833</u>	<u>11,339</u>

## Notes to the financial statements

at 31 December 2003

### 13. Creditors: amounts falling due after more than one year

	2003 £000	2002 £000
Obligations under finance leases and hire purchase contracts (note 14)	56	—
Amounts owed to group undertakings	11,665	11,985
Promissory note	5,840	6,477
	<u>17,561</u>	<u>18,462</u>

Interest on the promissory note is charged at 10% per annum. Intercompany loans represents a non-interest bearing loan of £2,000,000 (2002 - £2,000,000) from Sheraton Hotels (England) Limited and a loan of £9,665,000 (2002 - £9,665,000) from Sheraton Hotels (UK) plc. Interest on the loan from Sheraton Hotels (UK) plc is charged at libor plus an additional variable margin.

The loan from Sheraton Hotels (England) Limited ('SHEL') has no fixed repayment terms or maturity date although SHEL have confirmed that repayment will not be for at least one year. Repayments are made when funds are available and as a result this loan has been included within intercompany loans due after five years.

Borrowings are repayable as follows:

	2003 £000	2002 £000
Promissory note:		
Between two and five years	<u>(5,840)</u>	<u>(6,477)</u>
Intercompany loans:		
Between one and two years	—	(320)
After five years	<u>(11,665)</u>	<u>(11,665)</u>
	<u>(11,665)</u>	<u>(11,985)</u>

### 14. Obligations under finance leases and hire purchase contracts

The maturity of these amounts is as follows:

	2003 £000	2002 £000
Amounts payable:		
Within one year	32	—
In two to five years	<u>65</u>	<u>—</u>
	97	—
Less: finance charges allocated to future periods	<u>(13)</u>	<u>—</u>
	<u>84</u>	<u>—</u>
Finance leases and hire purchase contracts are analysed as follows:		
Current obligations (note 12)	28	—
Non-current obligations (note 13)	<u>56</u>	<u>—</u>
	<u>84</u>	<u>—</u>

# Notes to the financial statements

at 31 December 2003

## 15. Commitments under operating leases

At 31 December 2003 the company had annual commitments under non-cancellable operating leases as set out below:

	<i>Assets other than land and buildings</i>	
	<i>2003</i>	<i>2002</i>
	<i>£000</i>	<i>£000</i>
Operating leases which expire:		
Within one year	12	16
In two to five years	46	35
	<u>58</u>	<u>51</u>

## 16. Share capital

	<i>Authorised</i>	
	<i>2003</i>	<i>2002</i>
	<i>£000</i>	<i>£000</i>
Ordinary shares of £1 each	<u>—</u>	<u>—</u>

	<i>Allotted, called up and fully paid</i>			
	<i>No.</i>	<i>2003</i>	<i>No.</i>	<i>2002</i>
		<i>£000</i>		<i>£000</i>
Ordinary shares of £1 each	2	<u>—</u>	2	<u>—</u>

## 17. Reconciliation of shareholders' funds and movement on reserves

	<i>Share capital</i>	<i>Capital redemption reserve</i>	<i>Profit and loss account</i>	<i>Total shareholders' funds</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
At 1 January 2002	—	18,374	(2,097)	16,277
Profit for the year	—	—	842	842
At 31 December 2002	—	18,374	(1,255)	17,119
Loss for the year	—	—	(256)	(256)
At 31 December 2003	<u>—</u>	<u>18,374</u>	<u>(1,511)</u>	<u>16,863</u>

## Notes to the financial statements

at 31 December 2003

### 18. Pension commitments

#### (a) Pensions

The company provides pension arrangements for certain permanent employees through the Turnberry Hotel Pension Scheme. The scheme is a funded defined benefits scheme based on final pensionable pay and the related cost and asset are assessed in accordance with the advice of professionally qualified actuaries.

The most recent valuation was conducted on 31 December 2002 using the attained age method. The main assumptions are as follows:

Rate of return on investments - pre retirement (% per annum)	7.0
Rate of return on investments - post retirement (% per annum)	5.0
Rate of increase in salaries (% per annum)	3.9
Rate of increase in pensions payments (% per annum)	2.4

Market value of scheme's assets (£000)	2,578
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Level of funding, being the actuarial value of assets expressed as a percentage of the benefits accrued to members, after allowing for future salary increases	89.9%
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The company is currently contributing 22.2% of scheme pay, but the employer will contribute at a rate of 21.5% with effect from 1 January 2004 to 31 December 2013. Thereafter, the contribution rate will be at 14.2% of scheme pay.

The deficit in the scheme is expected to be funded over the period of eleven years from 1 January 2003, being the average membership period of the current active members. The resulting total contribution rate would be 31.5% of scheme pay, increased from the current total contribution rate of 24.2%.

As the scheme is now closed to new entrants, the valuation method has been changed from the Projected Unit method to the Attained Age method. The Attained Age method, which is consistent with a stable long term funding target, will allow for the average membership to age over the years.

#### *FRS17 disclosures*

The valuation used for FRS 17 disclosures has been based on the most recent actuarial valuation as at 31 December 2002 and updated by a qualified actuary to take account of the requirements of FRS 17 in order to assess the liabilities of the scheme at 31 December 2003. Scheme assets are stated at their market value at the respective balance sheet dates.

	2003 %	2002 %	2001 %
Main assumptions:			
Rate of increase in salaries	3.8	3.5	4.0
Rate of increase in pensions in payment	2.8	2.3	2.5
Rate of increase in deferred pensions	2.8	2.3	2.5
Discount rate	5.5	5.5	6.0
Inflation assumption	2.8	2.3	2.5

## Notes to the financial statements

at 31 December 2003

### 18. Pension commitments (continued)

The assets and liabilities of the scheme and the expected rate of return at 31 December are:

		2003		2002		2001
	<i>Long-term rate of return expected %</i>	<i>Value £000</i>	<i>Long-term rate of return expected %</i>	<i>Value £000</i>	<i>Long-term rate of return expected %</i>	<i>Value £000</i>
Equities/Property	6.0	2,168	6.5	1,860	7.5	2,583
Bonds	4.0	864	5.0	723	5.5	436
Cash	3.0	81	4.0	(5)	4.0	49
Total market value of assets		3,113		2,578		3,068
Present value of scheme liabilities		(3,779)		(3,240)		(3,170)
Net pension liability		(666)		(662)		(102)

An analysis of the defined benefit cost for the year ended 31 December is as follows:

	2003 £000	2002 £000
Current service cost	(56)	(59)
Total operating charge	(56)	(59)
Other finance costs: Expected return on pension scheme assets	158	218
Other finance costs: Interest on pension scheme liabilities	(178)	(188)
Total other finance income	(20)	30
STRGL: Actual return less expected return on pension scheme assets	304	(652)
STRGL: Experience losses arising on scheme liabilities	—	201
STRGL: Gain/(loss) arising from changes in assumptions underlying the present value of scheme liabilities	(325)	(164)
Actuarial losses recognised in the statement of total recognised gains and losses	(21)	(615)

Analysis of movements in surplus during the year

	2003 £000	2002 £000
At 1 January	(662)	(102)
Total operating charge	(56)	(59)
Total other finance income	(20)	30
Actuarial losses recognised in the statement of total recognised gains and losses	(21)	(615)
Contributions	93	84
At 31 December	(666)	(662)

## Notes to the financial statements

at 31 December 2003

### 18. Pension commitments (continued)

History of experience gains and losses:

	2003	2002
Difference between expected return and actual return on pension scheme assets		
- amount (£000)	304	(652)
- % of scheme assets	9.8	(25.3)
Experience gains arising on scheme liabilities		
- amount (£000)	—	201
- % of the present value of scheme liabilities	—	6.2
Total actuarial losses recognised in the statement of total recognised gains and losses		
- amount (£000)	(21)	(615)
- % of the present value of scheme liabilities	(0.6)	(19.0)

#### (b) Reconciliations of net assets and reserves under FRS 17

##### Net assets

	2003 £000	2002 £000	2001 £000
Net assets as stated in balance sheet	16,863	17,119	16,277
FRS 17 defined benefit liabilities	(666)	(662)	(102)
Net assets including defined benefit liabilities	<u>16,197</u>	<u>16,457</u>	<u>16,175</u>

##### Reserves

	2003 £000	2002 £000	2001 £000
Profit and loss deficiency as stated in balance sheet	(1,511)	(1,255)	(2,097)
FRS 17 defined benefit liabilities	(666)	(662)	(102)
Profit and loss reserve including amounts relating to defined benefit liabilities	<u>(2,177)</u>	<u>(1,917)</u>	<u>(2,199)</u>

### 19. Ultimate parent company

The immediate parent undertaking is SLC Operating Limited Partnership.

The smallest and largest group in which the results of SLC Turnberry Limited are consolidated, is that headed by Starwood Hotels and Resorts Worldwide Inc., a company incorporated in the United States of America. The consolidated financial statements of this group are available to the public at Starwood Hotels & Resorts Worldwide Inc., Investor Relations, 1111 Westchester Avenue, White Plains, NY 10604, USA.